

Message Text

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ACTION INT-05

INFO OCT-01 EUR-12 NEA-10 ISO-00 OES-06 L-03 AID-05 EB-08

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FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 5945

AMEMBASSY PARIS

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PARIS FOR USOFFICE RFC

E.O. 11652: N/A

TAGS: TGEN, AFIN, AG, US

SUBJECT: USGS COOPERATIVE AGREEMENT

REF: STATE 14080 (NOT SENT PARIS)

1. BACKGROUND FOR PARIS: LAST APRIL US GEOLOGICAL SURVEY (USGS) CONCLUDED REIMBURSABLE TECHNICAL ASSISTANCE AGREEMENT WITH ALGERIAN "SECRETARIAT D'ETAT A L'HYDRAULIQUE" (SEH). ACCORDING TO AGREEMENT, SEH REQUIRED MAKE INITIAL PAYMENT OF 200,000 DOLLARS TO ACTIVATE AGREEMENT. REFTEL CONTAINS TEXTS EXCHANGE OF TELEXES, AS FOLLOWS:

FROM SEH TO USGS

"AFIN DONNER SUITE A L'EXECUTION DU CONTRAT NR 963/DGPEJ PASSE ENTRE VOS SERVICES ET LES MIENS VOUS DEMANDONS DE ME FAIRE PARVENIR DES RECEPTION DU PRESENT TELEX UNE DEMANDE DE TRANSFERT C'EST A DIRE LE CALCUL DES SOMMES A REGLER EN DOLLARS ET DES SOMMES A REGLER EN DINARS DE PROCEDER A L'OVERTURE D'UN COMPTE INTERIEUR NON RESIDENT AUPRES DE LA BANQUE NATIONAL D'ALGERIE CECI EST
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INDESPENSABLE POR LE REGLEMENT DE VOS PRESTATIONS EN CAS DIFFICULTIES VOUS PRIE DEPECHER AGENT DUMENT MANDATE PAR VOS SERVICES POUR PROCEDER A CES DERNIERES MODALITES STOP SALUTATIONS ET FIN MONSIEUR LE SECRETAIRE D'ETAT A L'HYDRAULIQUE ALGER"

FROM USGS TO SEH

"REFERENCE YOUR CABLE DATED JANUARY 16, 1977, RELATIVE CONTRACT NO 963/DGPES. IT IS REQUESTED THAT A US DOLLAR CHECK PAYABLE TO THE US GEOLOGICAL SURVEY IN THE AMOUNT OF 200,000 DOLLARS TO COVER ADVANCE AS STIPULATED IN ITEM 14, ARTICLE IX A OF AMENDMENT NO 1, DATED APRIL 16, 1976, BE FORWARDED TO US EMBASSY ALGIERS. IF YOU HAVE ANY DIFFICULTY RELATIVE TO TRANSFER OF US DOLLAR CHECK, AND DINAR ACCOUNT, PLEASE CONTACT MR. SHIRL MCARTHUR, ECONOMIC/COMMERCIAL OFFICER, US EMBASSY ALGIERS."

END BACKGROUND.

2. AFTER RECEIPT REFTEL COMMERCIAL OFFICER MCARTHUR CONTACTED SEH DEPUTY DIRECTOR FOR BUDGET WHO EXPLAINED THAT TO EXPEDITE PAYMENT SEH WISHED DEPOSIT DINARS IN USDO ACCOUNT AND EMBASSY BE RESPONSIBLE TO TRANSFER DOLLARS TO USGS. UNDERSTANDING THIS TO MEAN THAT SEH WAS PROPOSING BY-PASS GOA EXCHANGE CONTROL MECHANISMS, EMBASSY SOUGHT APPOINTMENT FOR CHARGE LYNE TO MEET WITH STATE SECRETARY ARBAOUI TO EXPLAIN THAT EMBASSY COULD NOT HANDLE PAYMENT IN THIS MANNER.

3. CHARGE MET WITH ARBAOUI FEB 14. ARBAOUI EXPLAINED THAT NORMAL PROCEDURE IS FOR CONTRACTING FIRM, OR IN THIS CASE GOVERNMENT, TO OPEN NON-RESIDENT ACCOUNT INTO WHICH CONVERTIBLE RPT CONVERTIBLE DINARS WOULD BE PAID. IT THEN ROUTINE MATTER FOR ACCOUNT HOLDER REQUEST TRANSFER OF APPROPRIATE FUNDS TO FOREIGN BANK. CHARGE RESPONDED THAT LIMITED OFFICIAL USE

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IF THIS THE CASE, IF DINARS ALREADY APPROVED AS BEING TRANSFERABLE WHEN PAID INTO ACCOUNT, THEN HE BELIEVED THIS COULD BE DONE, ALTHOUGH IT MIGHT TAKE AWHILE TO WORK OUT DETAILS. ARBAOUI EMPHASIZED THAT ULTIMATELY USGS WOULD HAVE TO HAVE ITS OWN SEPARATE ACCOUNT. HOWEVER ADMINOFF ADVISED THAT IT HAS BEEN HIS EXPERIENCE THAT ALL USG AGENCIES PRESENT IN FOREIGN COUNTRIES, WITH EXCEPTION OF DOD, NORMALLY UTILIZE USDO ACCOUNT FOR IN-COUNTRY EXPENDITURES. ADMINOFF STATES THAT CURRENT USDO ACCOUNT IN BANQUE EXTERIEURE D'ALGERIE IS IN NON-CONVERTIBLE DINARS AND THAT LETTER FROM USDO TO BANK WOULD BE REQUIRED TO OPEN SEPARATE CONVERTIBLE DINAR ACCOUNT.

4. FYI. NORMAL EMBASSY OPERATIONAL EXPENDITURES WOULD DRAW DOWN ACCOUNT BY APPROXIMATELY DA 800,000 (I.E., \$200,000) OVER PERIOD OF THREE TO FIVE MONTHS. WE ADVISE, HOWEVER, THAT THIS IS ONLY FIRST OF SEVERAL PAYMENTS. TOTAL USGS AGREEMENT AMOUNTS TO APPROX TWO MILLIONS DOLLARS OVER TWO YEARS. IN ADDITION THERE

POSSIBILITY FUTURE REIMBURSABLE TECHNICAL ASSISTANCE
AGREEMENT WITH USDA.

5. PLEASE ADVISE WHETHER EMBASSY AUTHORIZED BEGIN
PROCEDURES NECESSARY FOR ESTABLISHING CONVERTIBLE
DINARS ACCOUNT AND IF SO WHETHER ACCOUNT IS TO BE IN
NAME OF USDO OR OTHERWISE.

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Message Attributes

Automatic Decaptioning: X
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Copy: SINGLE
Sent Date: 16-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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